REVISION DATES: 10/08/2015 FOR EFFECTIVE DATE 10/01/2015;
12/31/2012; 12/06/2012

Covered Services

AHCCCS contracts with a pharmacy benefit manager (PBM) to provide and administer clinically appropriate pharmaceutical services and manage the medication formulary for the AHCCCS Fee-For-Service (FFS) recipients. The FFS Drug List applies exclusively to FFS recipients. Prescriptions must be dispensed from the PBM's contracted network of pharmacy providers.

The current PBM is OptumRx. For information regarding prescription claims, contracted network pharmacies, or the medication formulary, please contact OptumRx at (855) 577-6310. General questions may be directed to the AHCCCS Director of Pharmacy Services Program Administrator at (602) 417-4726.

Medically necessary federally reimbursable medications prescribed by a physician, physician assistant, nurse practitioner, dentist or other AHCCCS approved practitioner and dispensed by a licensed AHCCCS registered FFS Network Pharmacy are covered for members, as defined in A.A.C. 9-22, Article 2. (See outpatient medication exclusion information for Federal Emergency Services Program recipients, Section C. 16. below).

Prescription drugs for covered transplantation services are covered in accordance with AHCCCS transplantation policies (See Chapter 24, Transplants).

A. Specific Parameters of the AHCCCS FFS Pharmacy Benefit

The AHCCCS FFS Program and its PBM:

1. Shall utilize a mandatory generic drug substitution policy unless AHCCCS has required the use of a brand name medication. The substitution of a generic drug in place of a brand name drug is required if the generic drug is available and contains the same active ingredient(s) and both products, the brand name and generic, are chemically identical in strength, concentration, dosage form and route of administration. Generic substitutions shall adhere to Arizona State Board of Pharmacy rules and regulations.

   Exceptions to this policy include:

   a. Members intolerant to a generic medication. The prescribing clinician may be required to submit a prior authorization to the Contractor providing clinical justification for the brand name medication.

   b. AHCCCS has determined that the brand name medication is less costly to the FFS Program.

2. May utilize step therapy to ensure that the most clinically appropriate cost-effective drug is prescribed and tried by the member prior to prescribing a more costly clinically appropriate medication with the exception of members who have been stabilized and are transitioning from a T/RBHA to a PCP for their behavioral health needs (anxiety, ADHD, and depression). The medication, prescribed by the behavioral health practitioner and clinically appropriate, must be continued at the point of transition.

3. May utilize prior authorization to ensure clinically appropriate medication use. Requests submitted for prior authorization of a medication must be evaluated for clinical appropriateness based on the strength of the scientific evidence and standards of practice that include, but are not limited to the following:

   a. Food and Drug Administration (FDA) approved indications and limits. The fact that the medication is not FDA approved for a specific diagnosis and/or condition is not a basis to deny the prior authorization request if there is supporting documentation with information specified in b-e below as appropriate.

   b. Published practice guidelines and treatment protocols,

c. Comparative data evaluating the efficacy, type and frequency of side effects and potential drug interactions among alternative products as well as the risks, benefits and potential member outcomes

d. Member adherence impact, and

e. Peer reviewed medical literature, including randomized clinical trials, outcomes, research data and pharmacoeconomic studies.

4. May cover an over-the-counter medication under the pharmacy benefit when it is prescribed in place of a covered prescription medication that is clinically appropriate, equally safe and effective, and less costly than the covered prescription medication.

B. AHCCCS Minimum Required Prescription Drug List (MRPDL)

AHCCCS has developed a list of medications that must be available to all members when medically necessary. The MRPDL is available on the AHCCCS website at: http://www.azahcccs.gov/commercial/pharmacyupdates.aspx

1. AHCCCS has developed the MRPDL to assist providers when selecting clinically appropriate medications for AHCCCS members. The MRPDL is not an all-inclusive list of medications for the AHCCCS FFS and MCO Contractor Health Plans.

2. The MRPDL specifies medications that are available without prior authorization as well as medications that have specific quantity limits, or require step therapy and/or prior authorization prior to dispensing to AHCCCS members. The AHCCCS FFS Program is required to cover all medically necessary, clinically appropriate, cost effective medications that are federally and state reimbursable.

3. Federally reimbursable medications, not listed on the MRPDL or on the AHCCCS FFS Drug List (ADL), may be available through the prior authorization process. Prescribers may submit a prior authorization request to the AHCCCS FFS Pharmacy Benefit Manager (PBM), OptumRx, for review and coverage determination. The Prior Authorization Form is Exhibit 12-1 or can be located on the AHCCCS website under the Pharmacy Information section at www.azahcccs.gov.

4. The AHCCCS Pharmacy & Therapeutics Committee shall:
   a. Review the MRPDL at a minimum, annually.
   b. Review new drugs approximately 180 days from the date they become commercially available.
   c. Respond to questions and requests for medication additions, deletions or MRPDL changes submitted to AHCCCS by Contractors
5. The MRPDL is not applicable to drugs provided by Tribal/Regional Behavioral Heath Authorities (T/RBHAs).

C. AHCCCS FFS Pharmacy Exclusions

The following medications or drug therapeutic classes are excluded from coverage under the outpatient pharmacy benefit and are not included on the AHCCCS FFS Drug List:

1. DESI Drugs that are determined to be “less than fully effective” by the Food and Drug Administration
2. Anti obesity agents
3. Experimental / research drugs
4. Cosmetic drugs
5. Cosmetic drugs for hair growth
6. Immunizations
7. Nutritional / diet supplements
8. Blood and blood plasma products with the exception of hemophilia factor products.
9. Fertility drugs
10. Erectile dysfunction drugs unless prescribed to treat a condition other than a sexual or erectile dysfunction and the Food and Drug Administration has approved the medication for the specific indication
11. Drugs from manufacturers that do not participate in the FFS Medicaid Drug Rebate Program
12. Diagnostic products
13. Intrauterine devices

14. Medical supplies except:
    a. Syringes
    b. Needles
    c. Lancets
    d. Alcohol Swabs
    e. Blood glucose meters and test strips

15. Medications that are personally dispensed by a physician, dentist or other provider except in geographically remote areas where there is not a participating pharmacy or when accessible pharmacies are closed.

16. Outpatient medications for members under the Federal Emergency Services Program.

17. Medical Marijuana. Refer to AMPM Policy 320-M, Medical Marijuana.

18. Drugs covered under Medicare Part D for AHCCCS members eligible for Medicare whether or not the member receives Medicare Part D coverage.

D. Prescription Drug Coverage Limitations Include:

1. A new prescription or refill prescription in excess of a 30-day supply or a 100-unit dose is not covered unless:
    a. The medication is prescribed for chronic illness and the prescription is limited to no more than a 100-day supply or 100-unit dose, whichever is greater
    b. The member will be out of the provider's service area for an extended period of time and the prescription is limited to the extended time period, not to exceed 100 days or 100-unit dose, whichever is greater, and/or
    c. The medication is prescribed for contraception and the prescription is limited to no more than a 100-day supply

2. Prescription drugs for covered transplantation services will be provided in accordance with AHCCCS transplantation policies.

3. AHCCCS covers the following for AHCCCS members who are eligible to receive Medicare:
   a. Medically necessary barbiturates except those prescribed for the treatment of epilepsy, cancer or a chronic mental health condition, and
   b. Over-the-counter medications that are not covered as part of the Medicare Part D prescription drug program and meet the requirements described in A, #4 of this Policy may be covered as part of the AHCCCS FFS step therapy program.

E. Prior Authorization & Prescription Claims Billing

Some medications on the formulary and all non-formulary medications may require prior authorization approval. If a prescription claim rejects at the point-of-sale for "NDC Not Covered" or "Prior Authorization Required," the pharmacist should contact the prescribing clinician to request a formulary alternative. If there is not a formulary alternative, the pharmacist should inform the clinician that a prior authorization request for the medication must be submitted to the PBM for review.
All prior authorization requests must be submitted by the prescribing clinician and faxed to OptumRx.

The OptumRx PA Request Form (See Exhibit 12-1) is to be faxed to **866-463-4838**.

The OptumRx Prior Authorization Department's hours of operation are:

Monday – Friday: 7:00 AM – 6:00 PM Central Standard Time

Saturday: 8:00 AM – 4:30 PM Central Standard Time

Prior Authorizations may be faxed 24/7, 365 days per year.

All Fee-For-Service prescription claims must be submitted electronically at the point-of-sale to the AHCCCS contracted PBM.

For assistance with on-line claim submission, contact the OptumRx Customer Service Help Desk at (855) 577-6310. The OptumRx Help Desk hours of operation are 24 hours per day, 365 days per year.

F. After Hours Instructions

For hospital discharge prescriptions presented after hours at the retail pharmacy, the pharmacy staff should contact the OptumRx Customer Service Desk at (855) 577-6310 to request a hospital discharge override.

G. Return of and Credit for Unused Medications

The AHCCCS FFS Program and its Contractors shall require the return of unused medications to the outpatient pharmacy from nursing facilities (NFs) upon the discontinuance of prescriptions due to the transfer, discharge or death of a Medicaid member. A payment credit shall be issued for unused prescription medications by the outpatient pharmacy to the AHCCCS FFS PBM or the appropriate Contractor. The pharmacy may charge a reasonable restocking fee as agreed upon with the AHCCCS FFS Program or its PBM. The return of unused prescription medication shall be in accordance with Federal and State laws. Arizona Administrative Code (A.A.C. R4-23-409) allows for this type of return and the redistribution of medications under certain circumstances.

Documentation must be maintained and must include the quantity of medication dispensed and utilized by the member. A credit must be issued to AHCCCS when the unused medication is returned to the pharmacy for redistribution.

H. Prior Authorization Protocol for Smoking Cessation Aids

AHCCCS has established a prior authorization protocol for smoking cessation aids. Refer to the AHCCCS Medical Policy Manual (AMPM) Policy 320-K, Tobacco Cessation Product Policy.

I. Vaccines and Emergency Medications Administered by Pharmacists

AHCCCS covers vaccines and emergency medication administered by a pharmacist who is currently licensed and certified by the board subject to the terms of this policy and state law. For purposes of this section “Emergency Medication” means emergency epinephrine and diphenhydramine. In addition to the requirements specified in A.R.S. § 32-1974, AHCCCS requires the following:

1. The pharmacy providing the vaccine must be an AHCCCS registered provider (see note below regarding IHS/638 outpatient facilities).

2. Only the influenza and the pneumococcal vaccine may be administered.

3. The pharmacy must have a valid prescription on file for the influenza or the pneumococcal vaccine for each member that was administered one or both of these vaccines.

4. The AHCCCS member must be age 21 or older.

NOTE: IHS and 638 facilities may bill the outpatient all-inclusive rate for pharmacist vaccine administration. (Refer to AHCCCS Billing Manual for IHS/Tribal Providers, Chapter 10 page 3.)

J. 340B Reimbursement

A.A.C. R-9-22-710 (C) describes the reimbursement methodology to be used by AHCCCS and its Contractors for Federally Qualified Health Center (FQHC) and FQHC Look-Alike Pharmacies for 340 B drugs as well as reimbursement for Contract Pharmacies that have entered into a 340B drug purchasing arrangement with any 340B entity. The Rule also specifies reimbursement for FQHC and FQHC Look-Alike Pharmacies for drugs, which are not part of the 340 B Drug Pricing program. This rule is located on the AHCCCS Website and the link is provided below:

http://www.azahcccs.gov/commercial/pharmacyupdates.aspx

REFERENCES

- Chapter 8 for prior authorization requirements for FFS providers
- Section 1903(i)(10) of the Social Security Act as amended by Section 6033 of the Deficit Reduction Act of 2005
- Center for Medicare and Medicaid Services (CMS) State Medicaid Director Letter dated March 22, 2006
- Medicare Improvements for Patients and Providers Act of 2008 (MIPPA) section 1860D-2(e)(2)(A) as amended by Section 175.
- Arizona Revised Statute § 32-1974
- Arizona Administrative Code R-9-22-710

REVISION HISTORY

Date	Description of changes	Page(s)
10/8/2015	New formatting; New PBM vendor effective 10/01/2015	All & Exh 12-1
12/31/2012	Section title alpha corrections	All
10/01/2012	New PBM vendor – MedImpact effective 10/01/2012	All